

State of Kansas . . . John Carlin, Governor
DEPARTMENT OF HEALTH AND ENVIRONMENT

Barbara J. Sabol, Secretary

Forbes Field
Topeka, Kansas 66620
913-862-9360

September 14, 1984

Mr. Richard S. Hendey, Jr.
Manager, Regional Environmental Affairs
Olin Corporation
P.O. Box 1355
Stanford, Connecticut 06904-1355

Re: Kansas City, Kansas Facility
EPA ID No. KSD00203638

Dear Mr. Hendey:

I have completed a review of the documents submitted September 10, 1984 to demonstrate compliance with the financial requirements for hazardous waste facilities contained in 40 CFR 265 Part H.

The review showed your Kansas City, Kansas facility in compliance with the above regulations.

Thank you for expressing your reservations about Kansas interpretation of the financial requirements. When we write our own financial test regulations, we will again consider your comments. Until then, we will continue to consult with the U.S. Environmental Protection Agency and follow their opinions.

Sincerely,

Steven G. Cater
Hazardous Waste Section
Bureau of Waste Management

SGC: kaa/lq
cc: Ron Smith
Midge Given EPA



R00011186
RCRA Records Center

FINANCIAL TEST - CLOSURE/POST CLOSURE (C/PC) AND LIABILITY

Facility Olin Corp (OWS) I.D. No. KSD 000203638
 Address 3155 Fiberglass Road
 City Kansas City State Kansas County _____ Zip 66115

Response
 9/11/84

Fiscal Year Ending Dec 31
 Closure Estimate \$ 58,000.
 Post Closure Estimate -
 Annual Aggregate Liability Coverage (AALC) ~~2,000,000.~~ 8 million
 Net Working Capital \$ 405,139,000.
 Total Assets \$ 1,829,416,000
 Total U.S. Assets 1,476,843,000.
 Total Liabilities \$ 981,061,000.
 Tangible Net Worth \$ 784,500,000.
 Current Assets \$ 818,524,000.
 Current Liabilities \$ 413,385,000.
 Net Worth \$ 848,355,000.
 Net Income + Depreciation + Depletion + Amortization \$ 205,063,000.
 Total C/PC Estimate for all Facilities \$ 10,695,202 18,188,511

Check List

Yes No

- X X 1. Letter from Chief Financial Officer as per 264.151(g).
X ___ 2. Acceptable independent CPA's report on examination.
X ___ 3. Acceptable independent CPA's special report.

Alternative I

109.2
~~64.17 million~~ 2405 million

- X ___ 4a. Net working capital greater than six (6) times C/PC + AALC
X ___ b. Must meet any two of the following:
X ___ i. Total liabilities/net worth lesser than 2.0 1.156
X ___ ii. Net income + depreciation + depletion + amortization/total liability greater than .1. .209
X ___ iii. Current assets/current liabilities greater than 1.5 1.98

Yes No

Alternative II

 5. Bond rating adequate.

Rating Service

Bond Rating

Identical Provisions

X 6. Tangible net worth greater than six (6) times C/PC + AALC. ^{109.2} ~~64.17~~ 784.6

X 7. Tangible net worth greater than \$10 million. 784,500,000

8. Must meet one of the following:

 X A. Total U.S. assets greater than ninety percent (90%) total assets. 80.7%

X B. Total U.S. assets greater than six (6) times C/PC + AALC. 64.17 < 1,476.8

Prepared By Steven G. Carter

Date 6-20-84

Only Problem liability limit. 9-13-84



120 LONG RIDGE ROAD, P.O. BOX 1355, STAMFORD, CT 06904-1355

September 10, 1984

Mr. Steven G. Cater
Hazardous Waste Section
Bureau of Waste Management
Kansas Department of Health
and Environment
Forbes Field
Topeka, Kansas

RECEIVED
BUREAU OF
SEP 11 1984
WASTE
MANAGEMENT

Dear Mr. Cater:

As requested in your letter of August 21, 1984, a chief financial officer's letter with an annual aggregate liability coverage of eight million dollars is enclosed. Olin disagrees with this requirement because Olin has no facilities in Kansas which require non-sudden accidental liability coverage. In states where Olin facilities require such liability coverage, state and federal regulations, similar to Kansas regulations, require financial assurance through commercial insurance or self-insurance through the use of the financial test. If Olin does not have the financial resources to self-insure for non-sudden accidental liability coverage, the regulations of the state where the facility is located will require Olin to obtain commercial insurance or cease operation. Therefore, Olin believes Kansas need only be concerned with the financial assurance required for facilities within its state boundaries and rely on other states' regulations or federal regulations to require an adequate demonstration of financial responsibility for hazardous waste facilities outside Kansas.

Olin also questions the practicality of the stated Kansas policy. How will Kansas be assured that any company using the financial test, for all or part of its demonstration of financial assurance for Kansas facilities, has made adequate demonstrations of financial assurance for all the requirements of its non-Kansas facilities? Kansas has expressed specific concern for Olin's non-sudden accidental coverage for out-of-state facilities, but, for example, what about closure costs for an out-of-state facility where the demonstration of financial assurance is made by a mechanism other than the financial test? If Kansas will not rely upon the laws and regulations of other states to require adequate demonstration of financial responsibility for non-sudden accidental liability coverage for hazardous waste facilities in those states, then Kansas should be consistent in its concern about the financial capabilities of companies with hazardous waste facilities in Kansas. Kansas should require every company to list every facility outside of Kansas and to demonstrate complete financial

O L I N C O R P O R A T I O N

assurance for these facilities, including submission of insurance policies, trust agreements, surety bonds, and letters of credit, as well as financial tests. Such a requirement would be a logical extension of the policy stated in your August 21st letter, but I think you will agree that it would be an unnecessary regulatory burden for all concerned.

Sincerely,

A handwritten signature in cursive script, reading "Richard S. Hendey, Jr.", written in dark ink.

Richard S. Hendey, Jr.
Manager, Regional Environmental
Affairs

RSH/tr

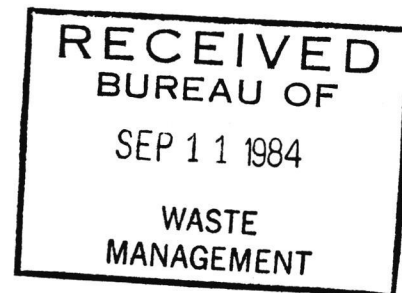
Enclosures



120 LONG RIDGE ROAD, P.O. BOX 1355, STAMFORD, CT 06904-1355

Letter from Chief Financial Officer to demonstrate both liability coverage and assurance of closure or post-closure care.

Barbara J. Sabol, Secretary
Kansas Department of Health
and Environment
Forbes Field
Topeka, KS 66620



Dear Madam:

I am the chief financial officer of Olin Corporation, 120 Long Ridge Road, Stamford, CT 06904. This letter is in support of the use of the financial test to demonstrate financial responsibility for liability coverage and closure and/or post-closure care as specified in Subpart H of 40 CFR Parts 264 and 265.

The owner or operator identified above is the owner or operator of the following facilities for which liability coverage is being demonstrated through the financial test specified in Subpart H of 40 CFR Parts 264 and 265.

<u>Name of Facility</u>	<u>Address or Location</u>	<u>EPA Identification Number</u>
Kansas City Plant (OWS)	3155 Fiberglass Road Kansas City, KS 66115	KSD-000203638

1. The owner or operator identified above owns or operates the following facilities for which financial assurance for closure or post-closure care is demonstrated through the financial test specified in Subpart H of 40 CFR Parts 264 and 265. The current closure and/or post-closure cost estimates covered by the test are shown for each facility:

	<u>Closure Cost</u>	<u>Post Closure Cost</u>
E.P.A. I.D. No. PAD 047353172 Fogelsville Plant P.O. Box 129 Fogelsville, PA 18051	\$ 29,397	\$ -
E.P.A. I.D. No. WVD 980555239 Moundsville Plant P.O. Box 596 Moundsville, WV 26041	1,934,575	-

	<u>Closure Cost</u>	<u>Post Closure Cost</u>
E.P.A. I.D. No. NYD 068212695 New York Plant (OWS) 615 East 131st Street New York, NY 10027	\$ 7,800	\$ -
E.P.A. I.D. No. NYD 002123461 Niagara Falls Plant P.O. Box 748 Niagara Falls, NY 14302	376,480	-
E.P.A. I.D. No. NYD 002220804 Rochester Plant 100 McKee Road Rochester, NY 14611	426,655	-

2. The owner or operator identified above guarantees, through the corporate guarantee specified in Subpart H of 40 CFR Parts 264 and 265, the closure or post-closure care of the following facilities owned or operated by its subsidiaries. The current cost estimates for the closure or post-closure care so guaranteed are shown for each facility:

	<u>Closure Cost</u>	<u>Post Closure Cost</u>
E.P.A. I.D. No. CAD 009552044 Philip A. Hunt Chemical Corporation 4265 Charter Street City of Vernon Los Angeles, CA 90058	\$ 19,240	\$ -
E.P.A. I.D. No. CTD 052544376 Olin Ski Company, Inc. Middletown Plant 475 Smith Street Middletown, CT 06457	23,068	-

3. In States where EPA is not administering the financial requirements of Subpart H of 40 CFR Parts 264 and 265, this owner or operator is demonstrating financial assurance for the closure or post-closure care of the following facilities through the use of a test equivalent or substantially equivalent to the financial test specified in Subpart H of 40 CFR Parts 264 and 265. The current closure and/or post-closure cost estimates covered by such a test are shown for each facility:

	<u>Closure Cost</u>	<u>Post Closure Cost</u>
E.P.A. I.D. No. GAD 040690737 Augusta Plant P.O. Box 1234 Atlanta, GA 30913	\$1,689,197	\$152,705
E.P.A. I.D. No. TXD 008097487 Beaumont Plant P.O. Box 30 Beaumont, TX 77704	62,970	-
E.P.A. I.D. No. CAD 009702564 Benicia Plant Building 68 Benicia Industrial Park Benicia, CA 94510	5,876	-
E.P.A. I.D. No. OHD 045214947 Brook Park Plant 6367 Eastland Road Brook Park, OH 44142	68,825	-
E.P.A. I.D. No. TND 003337292 Charleston Plant P.O. Box 248 Charleston, TN 37310	2,199,120	988,550
E.P.A. I.D. No. KYD 006396246 Doe Run Plant P.O. Box 547 Brandenburg, KY 40108	90,480	-
E.P.A. I.D. No. ILD 000802819 East Alton Casting Plant East Alton, IL 62024	4,084	-
E.P.A. I.D. No. ILD 006271696 East Alton Main Plant East Alton, IL 62024	35,832	-
E.P.A. I.D. No. ILD 000802801 Energy Test Range Ordnance Products Drawer G Marion, IL 62959	37,882	-
E.P.A. I.D. No. ILD 049809379 Joliet Plant P.O. Box 130 Joliet, IL 60434	23,320	-

	<u>Closure Cost</u>	<u>Post Closure Cost</u>
E.P.A. I.D. No. KSD 000203638 Kansas City Plant (OWS) 3155 Fiberglass Road Kansas City, KS 66115	\$ 43,850	\$ -
E.P.A. I.D. No. LAD 008080681 Lake Charles Plant P.O. Box 2896 Lake Charles, LA 70602	230,000	300,000
E.P.A. I.D. No. MSD 007035843 Leland Plant Drawer B Leland, MS 38756	170,000	-
E.P.A. I.D. No. ALD 008188708 McIntosh Plant P.O. Box 28 McIntosh, AL 36553	1,102,400	-
E.P.A. I.D. No. CTD 001451004 New Haven Research Center 275 Winchester Avenue New Haven, CT 06511	58,968	-
E.P.A. I.D. No. IL 8143609487 Ordill Industrial Area Ordinance Products Drawer G Marion, IL 62959	71,474	-
E.P.A. I.D. No. FLD 047096524 St. Marks Powder Operation P.O. Box 222 St. Marks, FL 32355	21,736	-
E.P.A. I.D. No. CTD 053704110 Waterbury Plant P.O. Box 270 Waterbury, CT 06720	9,027	-

4. The owner or operator identified above owns or operates the following hazardous waste management facilities for which financial assurance for closure or, if a disposal facility, post-closure, is not demonstrated either to EPA or a State through the financial test or any other financial assurance mechanism specified in Subpart H of 40 CFR Parts 264 and 265 or equivalent or substantially equivalent State mechanisms. The current closure and/or post-closure cost estimates not covered by such financial assurance are shown for each facility: None.

This owner or operator is required to file a Form 10K with the Securities and Exchange Commission (SEC) for the latest fiscal year.

The fiscal year of this owner or operator ends on December 31st. The figures for the following items marked with an asterisk are derived from this owner's or operator's independently audited, year-end financial statements for the latest completed fiscal year, ended December 31, 1983.

Part B. Closure of Post-closure Care and Liability Coverage:

1.	Sum of current closure and post-closure cost estimates	\$ 10,183,511		
2.	Amount of annual aggregate liability coverage to be demonstrated	8,000,000		
3.	Sum of lines 1 and 2	18,188,511		
* 4.	Total liabilities	981,061,000		
* 5.	Tangible net worth	784,500,000		
* 6.	Net worth	848,355,000		
* 7.	Current assets	818,524,000		
* 8.	Current liabilities	413,385,000		
9.	Net working capital	405,139,000		
*10.	The sum of net income plus depreciation, depletion and amortization	205,063,000		
*11.	Total assets in U.S.	1,476,843,000		
			<u>YES</u>	<u>NO</u>
12.	Is line 5 at least \$10 million?		X	
13.	Is line 5 at least 6 times line 3?		X	
14.	Is line 9 at least 6 times line 3?		X	
*15.	Are at least 90% of firm's operating assets located in the U.S.? If not, complete line 16.			X
16.	Is line 11 at least 6 times line 3?		X	
17.	Is line 4 divided by line 6 less than 2.0?		X	

18. Is line 10 divided by line 4 greater than 0.1? X

19. Is line 7 divided by line 8 greater than 1.5? X

I hereby certify that the wording of this letter is identical to the wording specified in 40 CFR 264.151(g) as such regulations were constituted on the date shown immediately below.

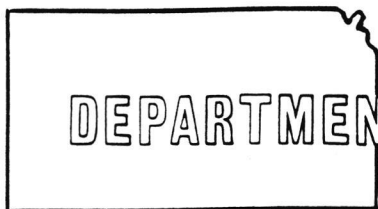


Edward P. Lyons
Vice-Chairman and
Chief Financial and
Administrative Officer *ESD*

RSH

September 10, 1984

/is



State of Kansas . . . John Carlin, Governor

DEPARTMENT OF HEALTH AND ENVIRONMENT

Barbara J. Sabol, Secretary

Forbes Field
Topeka, Kansas 66620
913-862-9360



August 21, 1984

Mr. Richard S. Hendey, Jr.
Manager, Regional Environmental Affairs
Olin Corporation
P.O. Box B55
Stanford, Connecticut 06904-1355

Dear Mr. Hendey:

In our telephone conversations of August 2 and 3, 1984, we discussed the Kansas interpretation of the annual aggregate liability coverage (AALC) regulations. After consultation with the EPA and others, we have decided that our policy is and will be to require an eight million dollar AALC if the corporation owns or operates in the United States a surface impoundment, landfill, or land treatment facility used to manage hazardous waste.

We feel that this requirement does not subject facilities in other states to Kansas regulations; but does insure that a corporation has the financial capability to provide funds for liabilities at its site(s) in Kansas even if it has liabilities at other sites.

Please submit financial test documents with an AALC of eight million dollars by September 20, 1984. If you have any questions concerning this subject, please call me at 913-862-9360 Ext. 586.

Sincerely,

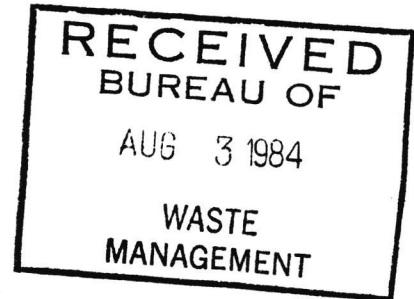
Steven G. Cater
Hazardous Waste Section
Bureau of Waste Management

SGC: kaa/3M
cc: Howard Duncan



120 LONG RIDGE ROAD, P.O. BOX 1355, STAMFORD, CT 06904-1355

July 25, 1984



Mr. Steven G. Cater
Hazardous Waste Section
Bureau of Waste Management
Kansas Department of Health and Environment
Forbes Field
Topeka, KS 66620

Dear Mr. Cater:

I have received your letter of June 21, 1984 which questions the annual aggregate liability coverage of two million dollars shown in Olin's demonstration of financial responsibility for our Kansas hazardous waste facilities which was submitted March 28, 1984. Please be advised that Olin's only hazardous waste facility in Kansas is a drum storage facility which does not require coverage for nonsudden accidental occurrences.

Olin's demonstration of financial responsibility of April 4, 1983 contained an aggregate liability coverage of eight million dollars because Olin has hazardous waste facilities in states other than Kansas which require coverage for nonsudden accidental occurrences. Since the April 4, 1983 submission, many more states have received interim authorization and/or promulgated their own financial responsibility regulations which include revised versions of the letter from the Chief Financial Officer, specified in 40 CFR Sec. 264.151(f) and (g). In the review of state and federal regulations prior to the March 28, 1984 demonstration of financial responsibility, Olin interpreted Kansas' adoption by reference of 40 CFR Part 264 and 265 to require a demonstration of that financial responsibility using the wording of the letter specified in 40 CFR Sec. 264.151. Olin does not believe that Kansas' adoption by reference of 40 CFR Part 264 and 265 subjects Olin's hazardous waste facilities in other states to Kansas regulations.

Furthermore, Olin does not interpret the financial tests of 40 CFR Parts 264 and 265 to require inclusion of the financial requirements for hazardous waste facilities, which are not under jurisdiction of the regulatory agency to which a financial responsibility demonstration is being made, to be included in the financial test unless specifically stated as in the case of closure and post-closure costs.

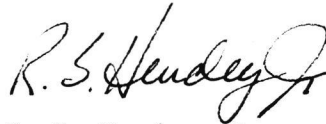
Mr. Steven G. Cater

-2-

July 25, 1984

If you have any further questions, please contact me at the above address or by telephone at (203) 356-3037.

Very truly yours,

A handwritten signature in cursive script, reading "R. S. Hendey, Jr.".

R. S. Hendey, Jr.
Manager, Regional
Environmental Affairs

RSH:bdc

State of Kansas . . . John Carlin, Governor

DEPARTMENT OF HEALTH AND ENVIRONMENT

Barbara J. Sabol, Secretary

Forbes Field
Topeka, Kansas 66620
913-862-9360



June 21, 1984

Mr. Richard S. Hendey, Jr.
Manager, Regional Environment Affairs
Olin Corporation
P.O. Box 1355
Stanford, CT. 06904-1355

Dear Mr. Hendey:

I have completed the review of the documentation submitted on March 28, 1984 to demonstrate compliance with the financial requirements for hazardous waste facilities contained in 40 CFR Part 265 Subchapter H.

The reviews of the submitted information showed the annual aggregate liability coverage (AALC) as being two million dollars. Regulation 40 CFR Part 265 Subpart 147 requires a two million dollar annual aggregate for sudden accidental occurrences, and a six million dollar annual aggregate for nonsudden accidental occurrences if there is a surface impoundment, landfill, or land treatment facility.

If the financial test is being used to satisfy the liability coverage requirement for any facility with a surface impoundment, landfill, or land treatment facility, then the amount of annual aggregate liability coverage to be demonstrated (line 2 in the letter from the Chief Financial Officer) should be eight million dollars, as it was in your submittal of April 4, 1983.

Please submit additional information to this office clarifying this point by July 27, 1984.

If you have any questions, feel free to contact this office.

Sincerely yours,

Steven G. Cater
Hazardous Waste Section
Bureau of Waste Management

SGC:cavs/10B